



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT

DATE: February 4, 2010

TO: The Honorable Chester J. Culver
The Honorable Patty Judge

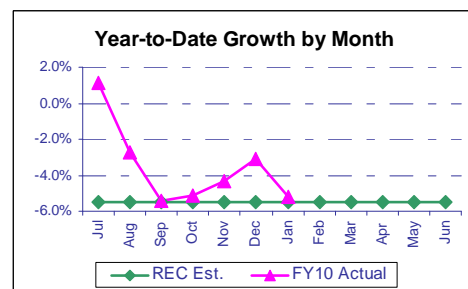
FROM: Richard Oshlo, Interim Director
Department of Management *Richard Oshlo*

RE: January 2010 General Fund Receipts

Gross General Fund receipts for January totaled \$483.2 million, which is \$99 million or 17.0 percent less than was collected during January 2009. There was one less processing day this January compared to last year. Fiscal year-to-date General Fund receipts totaled \$3.661 billion, a decrease of 5.2 percent over the same period last year. The Revenue Estimating Conference's official estimated rate of annual growth for gross receipts is a negative 5.5 percent for Fiscal Year 2010. It is important to note that these figures are on a cash basis and do not include any adjustments for tax refunds, school infrastructure transfers, or accruals, which could reduce available revenue. The REC's official rate for net revenues, which includes refunds, transfers, and accrued revenue, is a negative 9.0 percent, and Governor Culver's 10-percent across-the-board reduction continues to be sufficient to ensure that the Fiscal Year 2010 budget is balanced.

Summary

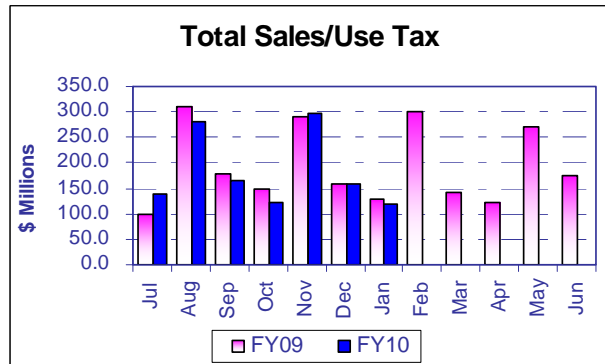
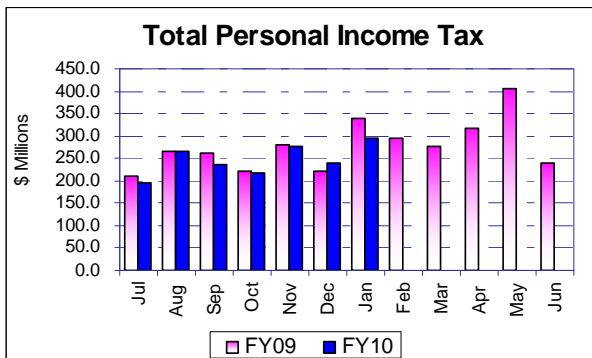
Year-to-date gross receipts are at a negative 5.2 percent through January 2010, which still compares favorably to the REC's estimate of negative 5.5%. A portion of the decrease in January's receipts was anticipated due to a processing change last year which influenced individual income estimate payment comparisons downward and with January 31 being on a weekend, sales/used tax quarterly payments are due on February 1 rather than January 31, moving the payments from January to February.



Personal Income Tax

Personal income tax receipts totaled \$294.1 million during January. This represents \$46.2 million or 13.6 percent less than the receipts of January 2009. Withholding tax receipts increased \$8.7 million or 4.3 percent compared to last year. Estimated payments increased by \$52.7 million. Estimate payments were influenced by a change in processing last year which moved some estimate payments from December to January last year. Final return payments decreased \$2.1 million compared to January 2009. Fiscal year-to-date, personal income tax

receipts totaled \$1.726 billion, a decrease of 3.9 percent. Personal income tax receipts are estimated to decrease by 3.6 percent for the year.

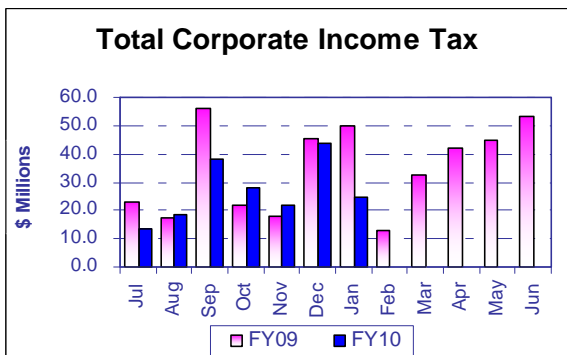


Sales/Use Tax

January sales/use tax receipts totaled \$119.6 million, which represents a decrease of \$10.7 million or 8.2 percent compared to January 2009. Sales/use tax receipts were influenced by the due date for quarterly payments being February 1 this year with January 31 falling on a weekend, moving some payments from January to February this year. A January/February comparison will be done next month. Fiscal year-to-date, sales/use tax receipts totaled \$1.285 billion, a decrease of 2.5 percent. The annual estimated rate of sales/use tax growth is negative 5.3 percent.

Corporate Income Tax

Corporate income tax receipts during January totaled \$24.6 million, which is \$25.3 million or 50.7 percent less than in January 2009. Fiscal year-to-date, corporate income tax receipts totaled \$188.5 million, a decrease of 18.3 percent. Corporate income tax receipts are estimated to decrease 18.1 percent.



Refunds

For the month of January, the Department of Revenue issued \$30.2 million in refunds on a cash basis. This compares to \$26.7 million issued January 2009. For the fiscal year-to-date, total refunds issued on a cash basis were \$270.5 million. This compares to \$253.4 million issued at this time last year. We need to keep in mind that approximately \$37 million of the \$270.5 million have already been "booked" in Fiscal Year 2009.

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING JANUARY 31, 2010
(\$ MILLIONS)**

CASH BASIS

	MONTH OF JANUARY		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$340.3	\$294.1	(\$46.2)	-13.6%	-3.6%
Sales/Use Tax	130.3	119.6	(10.7)	-8.2%	-5.3%
Corporate Income Tax	49.9	24.6	(25.3)	-50.7%	-18.1%
Inheritance Tax	6.6	5.3	(1.3)	-19.7%	-13.8%
Insurance Premium Tax	0.3	0.1	(0.2)	0.0%	-8.9%
Cigarette Tax	16.9	13.5	(3.4)	-20.1%	-6.8%
Tobacco Tax	2.1	1.8	(0.3)	-14.3%	6.5%
Beer Tax	1.3	1.3	0.0	0.0%	-2.0%
Franchise Tax	3.0	1.8	(1.2)	-40.0%	-10.1%
Miscellaneous Tax	(0.3)	0.0	0.3	-100.0%	-45.8%
Total Special Taxes	\$550.4	\$462.1	(\$88.3)	-16.0%	-5.4%
Institutional Payments	0.9	0.6	(0.3)	-33.3%	-5.2%
Liquor Transfers:	7.0	6.3	(0.7)	-10.0%	-5.3%
Interest	1.6	0.2	(1.4)	-87.5%	-65.8%
Fees	10.7	1.7	(9.0)	-84.1%	-35.0%
Judicial Revenue	9.0	10.2	1.2	13.3%	15.4%
Miscellaneous Receipts	2.6	2.1	(0.5)	-19.2%	-8.8%
Racing and Gaming	0.0	0.0	0.0	0.0%	10.0%
Total Receipts	\$582.2	\$483.2	(\$99.0)	-17.0%	-5.5%
Transfers	\$13.4	\$14.3	\$0.9		
Total Rcpts & Transfers	\$595.6	\$497.5	(\$98.1)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$32.5)	(\$36.0)	(\$3.5)		
Refunds	(\$26.7)	(30.2)	(3.5)		
Total Reductions in GF Receipts	(\$59.2)	(\$66.2)	(\$7.0)		

Iowa Department of Management
February 4, 2010

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE SEVEN MONTHS ENDING JANUARY 31, 2010
(\$ MILLIONS)**

CASH BASIS

	SEVEN MONTHS THROUGH JANUARY		FY10 Over (Under) FY09		FY10 Annual Est Percent Of Growth
	FY09	FY10	Dollars	Percent	
Personal Income Tax	\$1,796.3	\$1,726.0	(\$70.3)	-3.9%	-3.6%
Sales/Use Tax	1,317.8	1,284.6	(33.2)	-2.5%	-5.3%
Corporate Income Tax	230.8	188.5	(42.3)	-18.3%	-18.1%
Inheritance Tax	48.9	43.6	(5.3)	-10.8%	-13.8%
Insurance Premium Tax	49.7	40.2	(9.5)	-19.1%	-8.9%
Cigarette Tax	133.4	119.1	(14.3)	-10.7%	-6.8%
Tobacco Tax	13.9	14.9	1.0	7.2%	6.5%
Beer Tax	9.1	8.9	(0.2)	-2.2%	-2.0%
Franchise Tax	17.5	16.0	(1.5)	-8.6%	-10.1%
Miscellaneous Tax	0.4	(1.1)	(1.5)	-375.0%	-45.8%
Total Special Taxes	\$3,617.8	\$3,440.7	(\$177.1)	-4.9%	-5.4%
Institutional Payments	8.0	7.7	(0.3)	-3.8%	-5.2%
Liquor Transfers:	48.6	48.4	(0.2)	-0.4%	-5.3%
Interest	11.1	1.3	(9.8)	-88.3%	-65.8%
Fees	45.4	22.4	(23.0)	-50.7%	-35.0%
Judicial Revenue	49.0	58.3	9.3	19.0%	15.4%
Miscellaneous Receipts	23.1	16.1	(7.0)	-30.3%	-8.8%
Racing and Gaming	60.0	66.0	6.0	10.0%	10.0%
Total Receipts	\$3,863.0	\$3,660.9	(\$202.1)	-5.2%	-5.5%
Transfers	\$43.7	\$121.0	\$77.3		
Total Rcpts & Transfers	\$3,906.7	\$3,781.9	(\$124.8)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	(\$185.6)	(\$222.4)	(\$36.8)		
Refunds	(253.4)	(270.5)	(17.1)		
Total Reductions in GF Receipts	(\$439.0)	(\$492.9)	(\$53.9)		

Iowa Department of Management
February 4, 2010